

Energy Department takes Big Step to Privatize Hanford Tank Waste Treatment

Department Seeking Public Comment on Draft Request for Proposal

RICHLAND, Wash., November 20, 1995 -- The U.S. Department of Energy (DOE) today released a draft Request for Proposal (RFP) for public comment launching efforts to privatize the treatment of highly radioactive tank wastes left from the production of plutonium for nuclear weapons at the Hanford Site in Washington State. Energy Secretary Hazel R. O'Leary approved the tank waste privatization proposal in September following extensive public and business consultation.

"This proposal represents a dramatic shift in the way the Department carries out its business. It is the largest privatization initiative undertaken by DOE, and should be a more cost-effective method for dealing with the Hanford tank waste," said Thomas P. Grumbly, Assistant Secretary for Environmental Management. "This project will take the burden off the taxpayer's backs and provides tremendous business opportunities to environmental and engineering firms," he added.

"This privatization effort goes a long way to meet our commitment in the Tri-Party Agreement and proposes to treat and stabilize the highly radioactive waste. This is designed to protect the Columbia River aquifer," explained Hanford Manager, John Wagoner. "The draft proposal also provides for work force hiring preferences for this vital project," he added.

In taking this new kind of approach toward cleanup, DOE is changing its fundamental contracting strategy. DOE is moving from a single government-owned, contractor-operated facility to treat wastes at a fixed price (per unit of treated waste). Two contractors will provide for a continuing competitive arena intended to drive the unit cost down. If the contractor fails to deliver treated waste meeting DOE specifications, the contractor will not be paid.

With a privatized contracting approach, the design, permitting, financing, construction, and operations will shift from the government to the contractor. DOE expects to treat tank waste more efficiently than under the maintenance and operations cost-plus contracting approach. The tank waste privatization will provide long-term business opportunities for companies with technical skills, financial, and operational experience in treating nuclear materials.

The treatment of tank waste, which is expected to take decades, is divided into two phases. Phase one is a commercial demonstration to treat approximately six to thirteen percent of the total tank waste. The existing management and operations contractor will continue to be responsible for tank operations, maintenance, safety, and for retrieval of the radioactive waste from the tanks. Phase two, which is not part of this proposal, is expected to start processing waste as early as 2009 and consists of full production waste processing to meet the goal of removing all tank waste by 2018. Currently, 177 Hanford tanks store approximately 55 million gallons of radioactive and chemical wastes resulting from decades of nuclear weapons production at the southeastern Washington nuclear test site.

Having finalized the draft RFP, it is now being circulated to interested vendors and the public for comment. All comments must be received by January 5, 1996. These comments will then be evaluated and incorporated as appropriate into the final RFP, scheduled for release in February 1996.

A pre-solicitation conference is being held November 29, through December 1, 1995, with a site tour on November 30. Reservations for the conference can be obtained by faxing a written request to Mr. Peter

Rasmussen at (509) 373-0628. Requests made via facsimile should be confirmed as received at (509) 373-0068. The draft RFP can be accessed via the internet at http://twins.pnl.gov:8001/twrs_rfp/rfp/rfphome.htm.

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